

The Division of Real Estate Services (DRES) manages the Commonwealth's real estate portfolio, assists state agencies with transactional and strategic planning services and helps client agencies meet their real estate needs. The Commonwealth's owned real estate portfolio consists of approximately 429,000 acres of land in 1,100 locations, 11,200 buildings and 130 million square feet of space. Additionally, Virginia leases approximately 14 million square feet of rental space in 1,400 building locations.

CLIENT-FOCUSED SERVICE

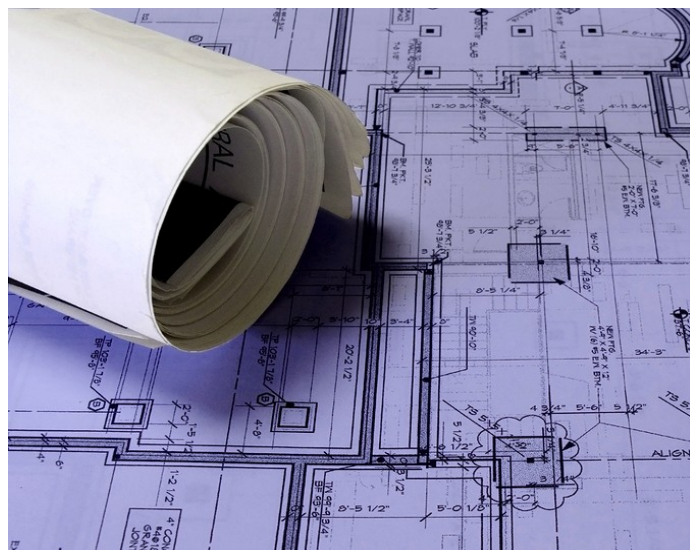
- DRES assists state agencies and institutions with determining their facility space needs, conducting facility negotiations, preparing lease/sale/acquisition documents, coordinating components of occupying a facility, and administering leases. During FY14, DRES managed approximately 340 real estate transactions, including property acquisition, sales, leases, interagency transfers, and easements.
- DRES strives to provide direction and assistance to agencies on real estate matters by assigning agency transaction managers, specializing in leased or owned property, to work closely with the client agency's point of contact. Through a collaborative effort, agency-specific real estate strategic plans are developed.
- DRES works with agencies to maintain a current facility strategic plan, assessing current and future facility needs. These plans provide DRES with more information about agencies' needs and assists in identifying potential collocation opportunities.

SAVINGS AND COST AVOIDANCE

- Consolidating and managing the state's property as one real estate portfolio allows the state to more efficiently allocate and utilize space, resulting in millions of dollars in savings & cost avoidance. Since the division was formed in 2005, this approach has provided a combined savings and cost avoidance of \$126 million through December 2014.

OPERATIONAL EFFECTIVENESS

- **Portfolio Management:** Since its inception in 2004, DRES has transitioned the Commonwealth's real estate program from regulatory and transaction processing activities to a portfolio management model that takes a comprehensive approach to real estate and transaction management.



- **Space Standards:** DRES continues to promote more efficient and flexible space planning and design to reduce agency real estate expenses and support changing work environments. The Commonwealth's flexible work schedules, telework policy, greater need for collaborative spaces and recruitment of a younger workforce requires a dynamic space use program.
- **Lease Administration:** DRES is responsible for administering 542 leases with combined annual rental obligations of \$59 million.
- **Surplus Real Estate:** Since the surplus real estate initiative began in 2005, DRES has sold or currently has under contract to sell over \$67.9 million in surplus real estate. A listing of surplus real estate for sale is posted on the DRES website and a link to the webpage has been established from the DGS home page (www.dgs.virginia.gov).
- **New Real Estate Records Management System:** DRES awarded the contract for a new Integrated Workplace Management System (IWMS) to **Manhattan Software**, a Trimble Company and leader in the IWMS field (<http://www.manhattansoftware.com/solutions/iwms.html>). This new system will replace IREMS and will be used by DGS/DRES to manage the services we provide in acquiring, disposing, administering and record-keeping of the Commonwealth's owned and leased real estate assets. The project to implement this new system is underway and will focus on design through April 2015. We will then move into the conversion to the new platform during the second half of 2015. We are confident that this product will provide a significant increase in our capabilities and will also be able to be leveraged by other agencies in the future.

- **Policies and Procedures:** DRES is updating its real estate related policies, as well as internal processes and procedures. The revised policy manual better defines the roles played by the agencies and DRES personnel, while improving communication and expectations with the client agencies. To support the centralized real estate model, DRES utilized standardized Commonwealth documents that were modified to address the agency user's specific needs.

WEBSITE UPDATES

- In FY14, DRES introduced changes to the DRES website in an effort to provide the latest information and access to our services in a more user-friendly format. Changes include revised navigation menus, cleaner layout and organization, and new pages featuring services and access to online forms and contracts.
- In support of the Governor's initiative to expand communication and broadband access across the Commonwealth, DRES expanded its website to include an information page for communication providers. In coordination with the Bureau of Capital Outlay Management, DRES is committed to working with broadband and other communication providers on cell tower leases, including new tower construction or antenna placement on existing state-owned towers, where safe and feasible.

EXPANDED RESOURCES

- DRES has entered into cooperative procurement agreements for commercial real estate brokerage services, appraisal services and title services that complement existing DGS cooperative procurement agreements for professional and non-professional services available to client agencies.

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SURPLUS PROPERTIES SOLD IN 2014

- DRES sold the following 15 properties during 2014, generating income of \$11,674,255.60 and has another four properties under contract totaling \$13,568,000.

Agency	Name	Location	Income
DBHDS	CSH parcel	Dinwiddie County	\$450,828
DBHDS	SEVTC	City of Chesapeake	\$7,500,000
DOC	Tazewell Prison	Tazewell County	\$230,000
DMA	Camp Pendleton	City of Virginia Beach	\$580,000
DOF	Goochland Office	Goochland County	\$181,500
VDACS	Office Building	Accomack County	\$22,000
VDOT	Land	Albemarle County	\$80,000
VDOT	Area Headquarters	Brunswick County	\$35,000
VDOT	Land	Prince George County	\$34,100
VDOT	Area Headquarters	Rappahannock County	\$159,500
VDOT	Land	City of Richmond	\$127,600
VDOT	Area Headquarters	Orange County	\$185,000
DGS	Powers Taylor Office Building	City of Richmond	\$1,450,000
DOF	Sandston Office	Henrico County	\$180,000
DGS	Land	City of Richmond	\$458,727.60

